



January 25, 2008

HOUSE BILL No. 1140

DIGEST OF HB 1140 (Updated January 23, 2008 3:00 pm - DI 97)

Citations Affected: IC 5-10; IC 27-8; IC 27-13; noncode.

Synopsis: Coverage for orthotic and prosthetic devices. Requires certain coverage for, and prohibits a lifetime limitation of coverage for, medically necessary orthotic or prosthetic devices under a state employee health benefit plan, a policy of accident and sickness insurance, and a health maintenance organization contract.

Effective: July 1, 2008.

Murphy, Fry

January 14, 2008, read first time and referred to Committee on Insurance.
January 24, 2008, amended, reported — Do Pass.

C
o
p
y

HB 1140—LS 6907/DI 97+



January 25, 2008

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

HOUSE BILL No. 1140

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-10-8-14 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2008]: **Sec. 14. (a) As used in this section, "covered individual"**
4 **means an individual who is entitled to coverage under a state**
5 **employee health benefit plan.**

6 (b) As used in this section, "orthotic device" means a custom
7 fabricated brace or support that is designed based on medical
8 necessity.

9 (c) As used in this section, "prosthetic device" means an
10 artificial leg or arm.

11 (d) As used in this section, "state employee health benefit plan"
12 means a:

13 (1) self-insurance program established under section 7(b) of
14 this chapter; or

15 (2) contract with a prepaid health care delivery plan that is
16 entered into or renewed under section 7(c) of this chapter;
17 to provide group health coverage.

HB 1140—LS 6907/DI 97+



C
o
p
y

(e) A state employee health benefit plan must provide coverage for orthotic devices and prosthetic devices, including repair or replacement of an orthotic device or a prosthetic device that:

- (1) is performed by a licensed orthotist or prosthetist or a certified pedorthist;
- (2) is determined by the covered individual's physician to be medically necessary to restore or maintain the covered individual's ability to perform activities of daily living or essential job related activities; and
- (3) not solely for comfort or convenience.

(f) The coverage required under subsection (e) must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless otherwise limited by this section.

(g) The coverage required under subsection (e):

- (1) may be subject to; and
- (2) may not be more restrictive than;

the provisions that apply to other benefits under the state employee health plan.

(h) Coverage under a state employee health benefit plan may not be subject to lifetime:

- (1) dollar limits or other coverage limitations for medically necessary orthotic devices or prosthetic devices; or
- (2) deductibles, copayments, or coinsurance provisions for medically necessary orthotic devices or prosthetic devices that are less favorable to a covered individual than the deductibles, copayments, or coinsurance provisions applying to other coverage generally under the state employee health benefit plan.

SECTION 2. IC 27-8-24.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 24.2. Coverage for Prosthetic Devices

Sec. 1. As used in this chapter, "insured" means an individual who is entitled to coverage under a policy of accident and sickness insurance.

Sec. 2. (a) As used in this chapter, "policy of accident and sickness insurance" has the meaning set forth in IC 27-8-5-1.

(b) The term does not include the following:

- (1) Accident only, credit, dental, vision, Medicare, Medicare supplement, long term care, or disability income insurance.
- (2) Coverage issued as a supplement to liability insurance.

**C
o
p
y**



(3) Automobile medical payment insurance.

(4) A specified disease policy.

(5) A limited benefit health insurance policy.

(6) A short term insurance plan that:

(A) may not be renewed; and

(B) has a duration of not more than six (6) months.

(7) A policy that provides a stipulated daily, weekly, or monthly payment to an insured during hospital confinement, without regard to the actual expense of the confinement.

(8) Worker's compensation or similar insurance.

(9) A student health insurance policy.

Sec. 3. As used in this chapter, "orthotic device" means a custom fabricated brace or support that is designed based on medical necessity.

Sec. 4. As used in this chapter, "prosthetic device" means an artificial leg or arm.

Sec. 5. A policy of accident and sickness insurance must provide coverage for orthotic devices and prosthetic devices, including repair or replacement of an orthotic device or a prosthetic device that:

(1) is performed by a licensed orthotist or prosthetist or a certified pedorthist;

(2) is determined by the insured's physician to be medically necessary to restore or maintain the insured's ability to perform activities of daily living or essential job related activities; and

(3) not solely for comfort or convenience.

Sec. 6. The coverage required under section 5 of this chapter must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless otherwise limited by this chapter.

Sec. 7. The coverage required under section 5 of this chapter:

(1) may be subject to; and

(2) may not be more restrictive than;

the provisions that apply to other benefits under the policy of accident and sickness insurance.

Sec. 8. Coverage under a policy of accident and sickness insurance may not be subject to lifetime:

(1) dollar limits or other coverage limitations for medically necessary orthotic devices or prosthetic devices; or

(2) deductibles, copayments, or coinsurance provisions for medically necessary orthotic devices or prosthetic devices that

C
o
p
y



are less favorable to a covered individual than the deductibles, copayments, or coinsurance provisions applying to other coverage generally under the policy of accident and sickness insurance.

SECTION 3. IC 27-13-7-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 19. (a) As used in this section, "orthotic device" means a custom fabricated brace or support that is designed based on medical necessity.

(b) As used in this section, "prosthetic device" means an artificial leg or arm.

(c) An individual contract or a group contract must provide coverage for orthotic devices and prosthetic devices, including repair or replacement of an orthotic device or a prosthetic device that:

- (1) is performed by a licensed orthotist or prosthetist or a certified pedorthist;
- (2) is determined by the enrollee's physician to be medically necessary to restore or maintain the enrollee's ability to perform activities of daily living or essential job related activities; and
- (3) not solely for comfort or convenience.

(d) The coverage required under subsection (c) must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless otherwise limited by this section.

(e) The coverage required under subsection (c):

- (1) may be subject to; and
- (2) may not be more restrictive than;

the provisions that apply to other benefits under the group contract or individual contract.

(f) Coverage under an individual contract or a group contract may not be subject to lifetime:

- (1) dollar limits or other coverage limitations for medically necessary orthotic devices or prosthetic devices; or
- (2) deductibles, copayments, or coinsurance provisions for medically necessary orthotic devices or prosthetic devices that are less favorable to a covered individual than the deductibles, copayments, or coinsurance provisions applying to other coverage generally under the individual contract or group contract.

SECTION 4. [EFFECTIVE JULY 1, 2008] (a) IC 5-10-8-14, as

C
o
p
y



1 added by this act, applies to a state employee health benefit plan
2 that is established, entered into, delivered, amended, or renewed
3 after June 30, 2008.

4 (b) IC 27-8-24.2, as added by this act, applies to a policy of
5 accident and sickness insurance that is issued, delivered, amended,
6 or renewed after June 30, 2008.

7 (c) IC 27-13-7-19, as added by this act, applies to an individual
8 contract or a group contract that is entered into, delivered,
9 amended, or renewed after June 30, 2008.

**C
o
p
y**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred House Bill 1140, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 6, after "(b)" insert **"As used in this section, "orthotic device" means a custom fabricated brace or support that is designed based on medical necessity.**

(c)".

Page 1, line 7, delete "medical device that is not surgically implanted and that" and insert **"leg or arm."**

Page 1, delete lines 8 through 15.

Page 1, line 16, delete "(c)" and insert **"(d)".**

Page 2, line 6, delete "(d) Coverage under a" and insert **"(e) A".**

Page 2, line 6, delete "may" and insert **"must provide coverage for orthotic devices and prosthetic devices, including repair or replacement of an orthotic device or a prosthetic device that:**

(1) is performed by a licensed orthotist or prosthetist or a certified pedorthist;

(2) is determined by the covered individual's physician to be medically necessary to restore or maintain the covered individual's ability to perform activities of daily living or essential job related activities; and

(3) not solely for comfort or convenience.

(f) The coverage required under subsection (e) must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless otherwise limited by this section.

(g) The coverage required under subsection (e):

(1) may be subject to; and

(2) may not be more restrictive than;

the provisions that apply to other benefits under the state employee health plan.

(h) Coverage under a state employee health benefit plan may not be subject to lifetime:

(1) dollar limits or other coverage limitations for medically necessary orthotic devices or prosthetic devices; or

(2) deductibles, copayments, or coinsurance provisions for medically necessary orthotic devices or prosthetic devices that are less favorable to a covered individual than the deductibles, copayments, or coinsurance provisions applying to other coverage generally under the state employee health benefit

C
o
p
y



plan."

Page 2, delete lines 7 through 14.

Page 2, line 39, delete "(a)" and insert **"As used in this chapter, "orthotic device" means a custom fabricated brace or support that is designed based on medical necessity.**

Sec. 4."

Page 2, line 40, delete "medical device that is not surgically implanted and that" and insert **"leg or arm."**

Page 2, delete lines 41 through 42.

Page 3, delete lines 1 through 7.

Page 3, line 8, delete "4. Coverage under a" and insert **"5. A"**.

Page 3, line 9, delete "may not be subject to annual or lifetime:" and insert **"must provide coverage for orthotic devices and prosthetic devices, including repair or replacement of an orthotic device or a prosthetic device that:**

- (1) is performed by a licensed orthotist or prosthetist or a certified pedorthist;**
- (2) is determined by the insured's physician to be medically necessary to restore or maintain the insured's ability to perform activities of daily living or essential job related activities; and**
- (3) not solely for comfort or convenience.**

Sec. 6. The coverage required under section 5 of this chapter must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless otherwise limited by this chapter.

Sec. 7. The coverage required under section 5 of this chapter:

- (1) may be subject to; and**
- (2) may not be more restrictive than;**

the provisions that apply to other benefits under the policy of accident and sickness insurance.

Sec. 8. Coverage under a policy of accident and sickness insurance may not be subject to lifetime:

- (1) dollar limits or other coverage limitations for medically necessary orthotic devices or prosthetic devices; or**
- (2) deductibles, copayments, or coinsurance provisions for medically necessary orthotic devices or prosthetic devices that are less favorable to a covered individual than the deductibles, copayments, or coinsurance provisions applying to other coverage generally under the policy of accident and sickness insurance."**

Page 3, delete lines 10 through 16.

**C
O
P
Y**



Page 3, line 19, after "(a)" insert **"As used in this section, "orthotic device" means a custom fabricated brace or support that is designed based on medical necessity.**

(b)".

Page 3, line 20, delete "medical device that is not surgically implanted" and insert **"leg or arm."**

Page 3, delete lines 21 through 29.

Page 3, line 30, delete "Coverage under an" and insert **"An"**.

Page 3, delete lines 31 through 38 and insert **"must provide coverage for orthotic devices and prosthetic devices, including repair or replacement of an orthotic device or a prosthetic device that:**

(1) is performed by a licensed orthotist or prosthetist or a certified pedorthist;

(2) is determined by the enrollee's physician to be medically necessary to restore or maintain the enrollee's ability to perform activities of daily living or essential job related activities; and

(3) not solely for comfort or convenience.

(d) The coverage required under subsection (c) must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless otherwise limited by this section.

(e) The coverage required under subsection (c):

(1) may be subject to; and

(2) may not be more restrictive than;

the provisions that apply to other benefits under the group contract or individual contract.

(f) Coverage under an individual contract or a group contract may not be subject to lifetime:

(1) dollar limits or other coverage limitations for medically necessary orthotic devices or prosthetic devices; or

(2) deductibles, copayments, or coinsurance provisions for medically necessary orthotic devices or prosthetic devices that are less favorable to a covered individual than the deductibles, copayments, or coinsurance provisions applying to other coverage generally under the individual contract or group contract."

and when so amended that said bill do pass.

(Reference is to HB 1140 as introduced.)

FRY, Chair

Committee Vote: yeas 9, nays 1.

HB 1140—LS 6907/DI 97+



**C
O
P
Y**